

TLDX 4

DECLARATION OF NATALIE C. DEMPSEY PURSUANT TO 28 U.S.C. §1746

I, Natalie C. Dempsey, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 21 years old. I live in Overland Park, Kansas.
2. In 1995, I graduated from the University of Kansas with degrees in accounting and business administration.
3. After college, I worked for Sprint for over 7 years. During that time, I held various accounting positions in customer records and billing and revenue accounting before transitioning to project management positions within ION Vendor Management and Network Operations Capital Budgeting.
4. I am currently an employee of AMG Services, Inc. ("AMG") and have been since 2009. Prior to that, I was employed by CLK Management, LLC.
5. AMG is chartered pursuant to the laws of the Miami Tribe of Oklahoma ("Miami Tribe"), wholly owned by the Miami Tribe, and is a governmental instrumentality and arm of the Miami Tribe.
6. In my current capacity at AMG, I function as a project manager. I also serve as the point of contact for most vendor relationships and I am one of the primary contacts for each of the tribal lending entities. I am also actively involved with the Compliance Department. In performing my duties for the Compliance Department, I regularly interact and work with those involved in the management of the operations of AMG.

A. Overview of AMG Services, Inc.

7. AMG is a shared services provider that provides employee staffing and related services to the loan portfolios owned by the Miami Tribe, the Santee Sioux Nation of Nebraska ("Santee Sioux") and the Modoc Tribe of Oklahoma ("Modoc Tribe"). In this declaration, I will refer to the Miami Tribe, the Santee Sioux and the Modoc Tribe as the "Tribal Lending Defendants."

8. AMG employs 894 people who service the lending businesses owned by the Tribal Lending Defendants.

9. AMG provides certain services related to the tribal lending portfolios for the Tribal Lending Defendants, including: 1) UnitedCashLoans; 2) OneClickCash; 3) USFastCash; 4) Ameriloan; and 5) 500FastCash.

10. The shared services AMG provides for the Tribal Lending Defendants and their loan portfolios include: employee staffing, human resources, information technology – including web and software development, customer service, collections, accounting, project management, and strategic planning.

11. The Tribal Lending Defendants have been successful in growing their lending portfolios over time. [REDACTED]

[REDACTED] In 2011, the Tribal Lending Defendants' loan portfolios made [REDACTED] online loans.

12. Not only have the Tribal Lending Defendants been able to grow their loan portfolios, they have developed relationships with satisfied customers such that those customers have returned to do business with the Tribal Lending Defendants. Of the loans issued in 2011, almost [REDACTED]% of the loans they issued represented "reacts" or repeat borrowers utilizing the

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11. The Tribal Lending Defendants have been successful in growing their lending portfolios over time. [REDACTED]

[REDACTED] In 2011, the Tribal Lending Defendants’ loan portfolios made 1,032,320 online loans.

12. Not only have the Tribal Lending Defendants been able to grow their loan portfolios, they have developed relationships with satisfied customers such that those customers have returned to do business with the Tribal Lending Defendants. Of the loans issued in 2011, almost [REDACTED]% of the loans they issued represented “repeats” or repeat borrowers utilizing the

lending product after an initial, completed relationship with one of the Tribal Lending Defendants.

B. The Tribes' Online Loan Application and the Loan Documents

13. Each of the Tribal Lending Defendants perform their lending operations online through websites. These lending websites are all serviced by AMG and that commonality is reflected in their lending websites. The Tribal Lending Defendants' lending websites have different color formats and stylistic themes, but they all utilize the same language and lending forms pertinent to the consumers. To demonstrate this commonality, I have attached true and correct copies of screenshots from the various lending websites. Dempsey Att. A.

14. The loan application process begins when a customer proactively searches online for a short-term loan. Individuals who obtain the loans fundamentally satisfy three criteria. First, they must be gainfully employed and 18 years of age. Second, they must have an active bank account, and thus an established banking relationship. Third, they have to be functionally capable of navigating the Internet due to the online nature of the relationship extended.

15. Many customers seeking online short term loans are repeat customers familiar with the product, procedures and lending guidelines. Indeed, the group of affiants selected by the FTC included 14 of 19 customers who had online loans prior to the loan referenced in their affidavit, while others obtained online loans after the subject matter of their affidavits. For example, the FTC relies on a declaration from Ms. Martina Cattles. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

16. Other affiants completely omit a loan taken out during the relevant time period. For example, Ms. Bongiovi submitted a declaration stating that she took out two loans around June in 2011 with OneClickCash and USFastCash. PX18 at 531 at ¶¶ 2-3. Ms. Bongiovi then complains that the companies must have been applying payments towards fees and not towards the loan amounts. PX18 at 533 at ¶16. [REDACTED]

[REDACTED]

[REDACTED]

17. Online short-term loans, which are wholly unsecured and vulnerable to significant default risks, uniformly fall into lending cycles that follow bi-weekly 14-day, twice monthly 15-day, and monthly 30-day cycles to correspond with applicable employment pay day deposits from which a customer can pay-down and/or extend a loan relationship.

18. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

19. Lead generation sites are internet portals, or web sites that a consumer may find when searching for short term lending opportunities. These lead generation web sites, which are operated independent from any ultimate lender involved, collect substantial information about an individual and the lending request. Then, the lead generation site, in real time, transfers for a fee

a potential lending customer to an online lender, which can include one of the Tribal Lending Defendants.

20. Since the majority of people seeking an online short-term loan begin the process on a web site other than the Tribal Lending Defendants' web sites, I have attached true and correct copies of examples of screenshots from a lead generation website that has a business relationship with the Tribal Lending Defendants. *See* Dempsey Att. D. Any lead generation website from whom the Tribal Lending Defendants purchase leads must accumulate and transfer the information that is reflected within Dempsey Att. D.

21. Importantly, a customer seeking an online short-term loan from a lead generation site will be transferred to one of the Tribal Lending Defendants' website at Page 6 (referenced below) after completing the required screen information on the lead generation sites.

22. A comparison of the Tribal Lending Defendants' initial loan application materials with lead generation site screenshots demonstrates that the lead generation sites and the Tribal Lending Defendants accumulate the same type of information and provide the same directions to individuals seeking online short term loans. Compare Dempsey Att. D and Dempsey Att. E.

1. Application for the Online Loan (Pages 1-5)

23. When beginning the lending process at one of the Tribal Defendant's websites, a customer first views the homepage. On the homepage of the site, the customer clicks "APPLY NOW" to begin the loan application process. A true and correct copy of screenshots that would appear to a customer applying for an online short-loan is included as Dempsey Att. A.

24. A customer begins the loan application process by providing information and proceeding through five sequential pages of questions covering their: 1) Personal Information (Page 1 of 5); 2) Employment Information (Page 2 of 5); 3) Banking Information (Page 3 of 5);

4) Personal References (Page 4 of 5) and 5) the Final Step (Page 5 of 5). True and correct copies of the five pages of the loan application process that a customer would see is attached as Dempsey Att. E. On the Final Step (Page 5 of 5), the customer must acknowledge by checking a box that she has read and agrees to all of the notices and disclosures. To submit the application for processing, the customer also enters a verification code and clicks "Continue."

2. Confirmation and E-Signature Page (Page 6)

25. After completing the first five pages of the loan application, the customer is directed to the Confirmation and E-Signature page to complete the loan application. A true and correct copy of the Confirmation and E-Signature page is attached as Dempsey Att. F.

26. On the Confirmation and E-Signature page, the customer is first shown the maximum amount he is approved for and then is allowed to choose a lesser amount from a drop-down box. Next, a hyperlink to the loan documents is provided so that the customer can view the documents. Then, to finalize the loan, the customer must check and click on required boxes to acknowledge that she has read and agrees to the terms and provisions of the Application, Loan Note and Disclosure, and the Authorization Agreement. Finally, the customer provides an eSignature and clicks the "I Agree" button. If a customer does not properly check all the required boxes concerning the review of loan documents, the customer's application will not be deemed acceptable and will not be processed unless and until the required boxes are checked.

3. Thank You and Print Documents Page (Page 7)

27. On the seventh and final page – the "Thank You and Print Documents" Page – the customer is informed that they will be receiving an email containing their User ID and Password to the Lender's websites. The customer is also provided the option of printing a copy of their

loan documents. A true and correct copy of the "Thank You and Print Documents" page is attached as Dempsey Att. G.

28. On the "Thank You and Print Documents" page, the following language is displayed in very large and conspicuous letters:

(1): THE FOLLOWING IS EXTREMELY IMPORTANT!

You will receive an e-mail from us momentarily containing your user ID and password which will allow you to check the status of your loan.

(2): PRINT YOUR DOCUMENTS

To print your documents for your reference, please [CLICK HERE](#).

29. From this screen, the customer can print the following loan documents:

1) Application; 2) the Privacy Policy; 3) the Loan Note and Disclosure; 4) the Authorization to Affect ACH Credit and Debit Entries and 5) the Electronic Disclosure and Consent Agreement. True and correct copies of the documents that a customer would be able to print from the "Thank You and Print Documents" page are attached as Dempsey Att. H, I, J, K and L respectively.

4. Language of the Loan Documents

a. The Loan Note and Disclosure (the "Loan Note")

30. The Loan Note is one of several important loan communications that are provided to a customer. The Loan Note itself states how a customer's payment schedule is structured. In addition to the "TILA Box," the Payment Schedule that appears on the first page of the Loan Note states:

Payment Schedule: 1 payment of \$520.00 due on 2012-04-23, if You decline* the option of renewing Your Loan. If renewal is accepted, You will pay the Finance Charge of \$120.00 only, on 2012-04-23. You will accrue a new Finance Charge at each renewal of Your Loan. On the due date resulting from a fourth renewal, and every due date thereafter, the outstanding principal of Your Loan must be paid down by \$50.00. This means Your Account will be debited for the Finance Charge plus a \$50.00 principal payment on the due date. This will continue until Your Loan is paid in full. If Your pay date falls on a weekend or holiday and You have direct deposit, Your Account will be debited on the business day prior to Your normal pay date. *To

decline the option of renewal Your signed Account Summary document must be received in Our office at least three business days before Your Loan is due. This Loan may be renewed on the payment of the Finance Charge only. [emphasis added].

See Dempsey Att. J.

31. The Loan Note also explains that the customer can cancel the loan without incurring any costs if they do so by the end of business on the business day after the loan proceeds are deposited into their checking account. *See* Dempsey Att. J. And as explained below, the Loan Note is followed by additional communications and explanations to ensure that customers fully understand the terms of the loan.

b. The Authorization to Affect ACH Credit and Debit Entries

32. The Authorization to Affect ACH Credit and Debit Entries form explains that “one or more ACH debit entries” to the customer’s account may occur and are authorized and gives customers the opportunity to revoke their authorization for electronic funds transfers. Customers may also adjust the payment terms by calling a toll-free number, by faxing, or by logging into the customer’s account online through the Online Portal. By way of example, a customer could elect to pay down a loan using a debit card.

33. A true and correct copy of the Authorization to Affect ACH Credit and Debit Entries form that a customer would see is attached as Dempsey Att.K.

C. Loan Approval and Customizable Payment Schedules

34. The loan application process, described above, is one part of the lending process, but there are other critical phases of the lending process, including the approval of the loan, the funding of the loan, and the subsequent exchanges between lender and customer. Through each of these phases, a customer receives information to ensure they understand their loan and their ability to customize their payment schedules.

1. **Confirmation Email**

35. Immediately after a customer's loan application is successfully submitted, the customer receives the Initial Confirmation Email that informs the customer of her username and password, the online portal to "access [her] loan status at any time," and the toll-free customer service number for any questions.

36. A true and correct copy of the Confirmation Email that a customer would receive is attached as Dempsey Att. M.

2. **Approval Terms Letter**

37. After a loan application is funded, the customer receives via email the Approval Terms letter. A true and correct copy of the Approval Terms Letter that a customer would receive is attached as Dempsey Att. N.

38. The Approval Terms letter informs the customer of the amount approved for the loan, and provides the Tribal Lending Defendant's email, phone number, and online portal address if the customer has any questions.

39. The Approval Terms letter also makes clear exactly how the payment schedule is and can be structured; the notice walks the customer through how to modify the payment schedule to pay only finance charges, finance charges with principal reductions or pay off the loan in its entirety.

40. On the first page, it states in all capital letters and bold language: **"PLEASE REVIEW THE FOLLOWING REMINDERS REGARDING YOUR LOAN."**

41. It then explains to the customer how the loan payments are scheduled and can be modified:

Loan Receipt:

By receiving a loan through 500FastCash you agree that your loan will be renewed on every due date unless you request to pay in full or to pay down your principal amount borrowed, at least 3 full business days prior to your next due date. If you do not notify 500FastCash, 3 full business days prior to your due date, you will only pay the interest fee plus any scheduled pay downs on your due date. If your loan is renewed, you will acquire a new interest fee. If your pay date falls on a weekend or holiday and you have direct deposit, your account will be debited the business day prior to your normal pay date.

Renewal:

Your loan is always due on your paydays. By receiving a loan through 500FastCash you agree that your loan will be renewed unless you request to pay down an additional amount against your principal, or pay out the balance in full. Renewing your loan means that you will pay the renewal fee (only) on this due date. Every time your loan is renewed, you will accrue a new renewal fee. You can renew your loan four times. On the FIFTH and subsequent due dates, you must pay the renewal fee plus pay down your balance by \$50.00. This is called an automatic pay down. When in automatic pay down, your principal loan amount and renewal fee will decrease. (EXAMPLE: For a \$300.00 dollar loan the fee is \$90.00. On the 5th due date, you pay \$140.00 which equals the \$90.00 renewal fee plus the \$50.00 pay down. Consequently, your principal balance will be \$250.00 with a new renewal fee of \$75.00.) Once the automatic pay down has begun, your loan must be paid down every due date until it is paid in full.

See Dempsey Att. N.

3. Approval Fund letter

42. The customer also receives the Approval Fund letter once the funds are sent via ACH and the status of the loan is active. A true and correct copy of the Approval Fund letter that a customer would receive is attached as Dempsey Att. O. In that letter, the customer is also provided the Tribal Lending Defendant's website address where the customer can access her account, the toll-free customer service phone number, and the lending platform's customer service email address. *See Dempsey Att. O.*

4. Account Summary Link Email

43. Each customer also receives an Account Summary Link Email prior to any scheduled payment. A true and correct copy of the Account Summary Link email that a customer would receive is attached as Dempsey Att. P. These emails are automatically sent three days after a loan is funded and three business days after each payment amount is debited from a customer's account.

44. Critically, a customer is empowered to, at any time, "Log In To View Your Account" within the Account Summary Link email to access, view, and customize her payment schedule. A true and correct copy of the Customer Service Login Page a customer would see is attached as Dempsey Att. Q.

45. After logging into her account from the homepage, the customer enters the Customer Service Portal and views the "Loan Status Page." A true and correct copy of the Loan Status Page a customer would see is attached as Dempsey Att. R.

46. The "Loan Status Page" provides an overview of the customer's account status, including the "Next Due Date," "New Amount Due," and a "Breakdown of the Charges" section. The "Breakdown of the Charges" section includes both the "Next Principle Amount Due" and "Next Service Charge Due." *See* Dempsey Att. R.

47. The customer then may select the "Next Payment Due" tab from the options on the left side of the page. *See* Dempsey Att. R. If selected, the "Next Payment Due" tab displays the "Total Amount Due," "Due Date," and "Pay Off Amount." It also has a tab to "CLICK HERE TO VIEW PAYMENT OPTIONS." *See* Dempsey Att. S.

48. The "Payment Options" page lists the customer's currently scheduled amount. It also contains a simple selection menu that easily allows the customer to: (1) "Make the

minimum scheduled payment”; (2) “Pay Down your principal amount in increments of \$50.00”; or (3) “Pay Total Balance” *See* Dempsey Att. T.

49. If the customer chooses to make the minimum scheduled payment, they will see confirmation confirming the date and amount of the payment. *See* Dempsey Att. U.

50. On the Payment Options page, if the customer decides to pay down the principal amount, the customer will see a drop down box by which she can pay down the principal amount of the loan in increments of \$50. The customer will then be presented with a pay down verification page in which the customer is notified of the date of the payment, the amount she elected to pay down, and that the pay down amount is in addition to the minimum amount that was scheduled. Following the explanation of the pay down transaction the customer has selected, the customer is required to press “Submit” to process the request. *See* Dempsey Att. V. After verifying the choice to pay down their principal, the customer is redirected to the Confirmation & Esignature page where they can review and accept the terms and conditions of the Account Summary Document. To finalize the request, the Customer is required to provide their Electronic Signature and click on the “I Agree” box. *See* Dempsey Att. V. After selecting the “I Agree” box, the customer is displayed a Thank You page which includes the option to view/print the signed Account Summary document. *See* Dempsey Att. V. A copy of the Account Summary document a customer would see if she decided to pay down her note is attached as Dempsey Att. V (which contains a revised “TILA” box with a recalculated APR). Finally, after having the option of printing the Account Summary document, the Customer can click on the “Continue” button and the customer is redirected to the Account Documents page where the customer can access various documents related to her account. *See* Dempsey Att. V.

51. If a customer wishes to pay off her loan, she can simply select the “Pay Total Balance” on the Payment Options page. *See* Dempsey Att. W. If the “Pay Total Balance” option is selected, the customer will be presented with the pay out verification page confirming the date and the amount of her pay off. From there, the customer is redirected to the Confirmation and ESignature page where they can review and accept the terms and conditions of the Account Summary Document. To finalize the request, the Customer is required to provide their Electronic Signature and click on the “I Agree” box. *See* Dempsey Att. W. After agreeing to the pay off of loan, the customer is displayed a Thank You page, from which the customer could print the signed Account Summary document. *See* Dempsey Att. W (which contains a revised “TILA” box with a recalculated APR).

52. Many customers elect the option of *either* repaying in a single payment or fewer than the maximum payments. [REDACTED]

[REDACTED]

[REDACTED]

53. For example, the FTC attached a declaration from Ms. Lejone Morris. PX08 at 245. Ms. Morris first took out a loan with UnitedCashLoans on October 22, 2010. PX08 at 245, ¶¶3, 4. Ms. Morris understood, like many other customers, that she could pay-off in one single payment because on November 14, 2010, she sent an email at 10:00 pm expressing her desire to “do a full pay out of my \$300 loan + \$90 fee, due 11/29/2010 and not renew next month.” *See* Dempsey Att. X. In her declaration, Ms. Morris states that she “never received a response to this email.” PX08 at 245, ¶8. In fact, she received an immediate response thanking her for contacting UnitedCashLoans, confirming receipt of her request and notifying her that the processing department is currently closed. *See* Dempsey Att. X. The following morning,

another e-mail was sent to Ms. Morris confirming her request to change the payment option on her account and confirming that UnitedCashLoans will draft \$390.00 on November 29, 2010.

See Dempsey Att.X. Ms. Morris confirms that on the next due date, November 29, 2010, UnitedCashLoans withdrew the full amount from her bank account, as she had requested. PX08 at 245-46, ¶9.

5. Customer Service Online Portal (“Online Portal”)

54. All current tribal lending customers are able to log in to the online profile for each tribal lending website. From the online profile, the customer can navigate everything she needs to view, understand, and customize her loan and payment schedules; the following tabs are found on the left side of the page: a) My Profile; b) Current Balance; c) Loan Status; d) Payment History; e) Next Payment Date; f) Account Documents and g) Contact Us. Dempsey Att. R.

55. Customers regularly use the online profile to review information about their or to evaluate their payment options. Indeed, 14 of the 21 affiants the FTC relies upon signed on to their online profile one or more times including: [REDACTED]

[REDACTED]

[REDACTED]

6. Toll-free Customer Service Number

56. As described above, all customers have access to a toll-free number to call with any questions, make payments, or customize the payment schedule. The toll-free number is prominently displayed throughout numerous sections of the enterprise sites and is contained in the numerous emails sent to customers.

57. The toll-free number provides customers direct access to AMG’s customer service agents to assist with any questions or concerns they might have. For example, the Tribal

Lending Defendants have a policy in place whereby they will allow customers to pay off the balance of their loan without accruing an additional service charge so long as they call the toll-free customer service number within 3 business days following their last due date. The customer just needs to call the toll-free number and complete and return a Late Pay Off document.

Consequently, with this option, if any consumers believed that their account would be debited for the full amount, and were surprised when it was not, they can timely call their lender and have their account debited for the full amount.

58. I understand the FTC relies on declarations for Ms. Sliger and Ms. Deckert to support the claim that the loan recipients were “surprised” to learn of the finance charges applicable to their loans. True and correct copies of the loan documents that Ms. Sliger and Ms. Deckert saw are attached as Dempsey Att. CC and DD.

D. Collections

59. Customers who fail to make a scheduled payment can be referred for collection efforts. AMG has a robust training program and monitoring system to ensure compliance with internal policies.

60. AMG has enacted strict written policies against threatening arrest, legal action or other consequences, including threatening to report information on a customer’s credit report if such actions are not permitted or actually contemplated. Employees are given written materials that clearly prohibit such threats and, as part of their training, they are instructed that such threats are prohibited.

61. [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

62. [REDACTED]

[REDACTED]

[REDACTED]

63. [REDACTED]

[REDACTED]

64. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

65. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

66. An example of the high standards employed by AMG employees when talking to customers was exemplified during a call with Ms. Josephine Bongiovi¹, one of the FTC's affiants in this case, on December 1, 2011:

67. AMG maintains a true and correct recording of the December 1, 2011 call with Ms. Bongiovi and the following constitutes a true and correct transcription of the December 1, 2011 call with Ms. Josephine Bongiovi:

JB: You're going down.

Operator: Hello?

JB: You're going down.

Operator: Is this Josephine?

JB: You're going down. The Federal Trade Commissioner is taking you down.

Operator: Hello is this Josephine?

JB: Who is this?

Operator: Hello, my name is Edie. How can I help you?

JB: Why are you calling my cell?

Operator: Uh, we were trying to reach Josephine. Is this not the right number?

JB: You are. No. You are going down. The Federal Trade Commissioner is going to shut you down. Understand?

Operator: Well if you will help me out here I will be glad to remove the number. But I am not sure I am understanding you. This is not...

[REDACTED]

JB: The Federal Trade Commissioner is going to take you down. Okay? You are illegal, you scam, and you're a fraud. And you're going down. Got it? Did you hear me?

Operator: Yes I did. Is this not Josephine?

JB: Did you hear what I said? It doesn't matter who it is. Okay? I am telling you a fact. You are going down. You are going to be sued by the Federal Trade Commissioner of New York. Got it?

Operator: You haven't answered my question. Is this Josephine?

JB: Okay, I don't want to. You know what, lady? Get a real fucking job. Okay? Because you're going to fucking get shut down. Okay? Anything else you want to know?

Operator: No I believe that's it.

JB: Good because you know what? You are going to lose your job. And you know what? OneClickCash is going to fucking go down. And US Fast Cash is also going with them. Got that? I'm so happy you have no idea. Go fucking try to rip off somebody else, bitch.

68.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

69.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

70. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

71. Neither AMG nor any of the Tribal Lending Defendants have call centers in the following area codes: 845, 315, 685, 818, 616, 904, 818, 704, 865 and 775. Any calls originated from those area codes are not associated with AMG or any of the Tribal Lending Defendants. AMG has interacted directly with the BBB, FBI, and the Secret Service concerning the collection agency scamming calls. AMG has regularly referred customers to both the FBI and the FTC regarding these calls.

72. True and correct copies of correspondence with or concerning Ms. Turner and Ms. Belles is attached as Dempsey Att. AA and BB, respectively.

E. Customer Complaints

73. Ms. Budich's declaration states explains that the FTC maintains a consumer complaints database know as the Consumer Sentinel Network ("Sentinel") that collects complaints filed with the FTC, other law enforcement authorities and consumer protections organizations. PX22 624-625, ¶87. Given the "vast number of complaints from various sources," Sentinel complaints are purged from the database regularly every five years.

74. Ms. Budich states that her search of the Sentinel database for complaints against the Defendants and associated entities revealed approximately 7542 complaints over the last five

years as of February 13, 2012. Ms. Budich does not describe the nature of the complaints filed against Defendants, but, like many of the affiants the FTC relies on, many customers file complaints because the Tribal Lending Defendants are not registered to do business in their states. As I understand it, the Tribal Lending Defendants, as sovereign nations, are not required to register with the states to do business with those residents. Moreover, I do not know whether the Sentinel database accounts for duplicative complaints filed with more than one agency. For example, in my experience with the Compliance Department, I have seen customers file the same complaint with their State Attorney General's office, the Better Business Bureau and/or the FTC.

75. Assuming that Ms. Budich search collected complaints from February 13, 2007 – February 13, 2012 – a full five year period – the Tribal Lending Defendants have extended 4,630,904 loans during that same time frame. Those numbers demonstrate that the Tribal Lending Defendants enjoy an infinitesimal complaint ratio – well under 1% (.1625%).

76. Another indicator of customer dissatisfaction or complaints is reflected in unauthorized transactions reported by customers. For example, an ACH unauthorized transaction occurs when a customer contacts their bank and claims the debit to their bank account was unauthorized. The ACH unauthorized transaction rate for the Tribal Lending Defendants is well under 1% (.30%).

77. To underwrite a loan, the Tribal Lending Defendants must disclose borrower data to credit bureaus, identity verification databases and fraud prevention services, to ensure that borrowers are creditworthy, credit applications are legitimate, and loans applicants are who they say they are.

78. To fund the loan, the Tribal Lending Defendants must disclose borrower information to payment processors and banks so that these third parties can deposit the loan in borrowers' accounts.

79. To service loans, the Tribal Lending Defendants must disclose borrower data to payment processors and banks so that these third parties can debit borrowers' accounts for the amount due. Moreover, in the ordinary course of business, the Companies must disclose borrower data to bankruptcy trustees, executors, personal representatives, Better Business Bureaus, consumer debt settlement firms, attorneys, accountants and outside auditors for a variety of purposes, including to process borrower requests, handle borrower disputes, service or collect borrower accounts, and perform internal audits and analytics

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 4th day of May, 2012.


Natalie C. Dempsey